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UNCLAS SECTION 01 OF 03 ANKARA 000441

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TAGS: **ETRD EAGR KPAQ TU USTR**
SUBJECT: Turkish Officials Responding to Quarantine Concerns

Ref: Ankara 9192

Sensitive but Unclassified. Not for Internet Distribution.

¶1. (SBU) Summary. In the weeks following the implementation of Turkey's new phytosanitary regulations, Turkish agriculture and quarantine officials have been faced with objections and concerns expressed by Turkish industry, importers and embassies. Although Turkish quarantine officials have thus far refused to suspend the new regulations that went into effect in early January, there appears to be some acknowledgement that the regulations may be overly restrictive. Imports of agricultural products to Turkey have been disrupted from most countries. For the United States, corn exports to Turkey have been halted because of the regulations. End Summary.

New Regs and Trade

¶2. (SBU) Turkey began enforcing its new phytosanitary regulations at the beginning of January. (reftel) In the weeks following, agriculture imports to Turkey have been impaired from many countries. FAS/Ankara has received reports of a slowdown in imports from Kazakhstan, Germany as well as the United States. Thus far, grain shipments have been affected the most, however, imports of rice, plants and wood products may also face problems. Moreover, the restrictions on imports had caused an immediate rise in Turkey's domestic corn prices from \$140 - \$180 per ton and rising. We know of at least 2 U.S. purchases of corn which have been cancelled due to the new regulations. One year ago, in January 2002, the U.S. shipped approximately \$12-\$14 million of corn to Turkey.

Turkey's Agribusinesses Express Concern

¶3. (SBU) On January 13, representatives from the Turkish Feed Millers Association, Seed Association and Poultry Association visited FAS/Ankara to discuss the new regulations. Industry officials complained that either they were not informed about the development of the new regulations or their comments on the regulations were ignored. The Turkish feed and poultry industries depend heavily on imports in order to meet demand. Turkey does not produce enough corn or soybeans to meet local demand in the poultry sector. Private sector officials have met with the new Minister as well as his advisors to express their concern with the new regulations. Although the Minister and his advisors expressed sympathy, no action to reverse the regulations has been taken thus far. The Turkish Seed Trade Association Chairman explained that Turkish regulatory officials do not work constructively with the private sector in developing regulations or seeking their advice in order to avoid negatively impacting business practices. Instead, Turkish officials believe that all regulations even onerous ones should and can be complied with by industry.

Protection and Control Meeting

¶4. (SBU) On January 14, AgCounselor and AgAtt met with the Deputy Director General for Protection and Control, Hulusi Utebay. Several issues related to grains and wood products were raised as well as a repeated request to suspend the regulations until U.S. officials had time to review and consult with Turkish officials. Dr. Utebay stated emphatically that the regulations had been announced and that they had no intention of suspending them. During the meeting, Dr. Utebay avoided responding to questions related to Turkey's failure to notify the WTO, the scientific justification of the new regulations and subsequent revisions to the new regulations. Dr. Utebay did leave the door open to further technical discussions on the regulations. In addition, Dr. Utebay did agree that the original English translation of the regulation for rice was incorrect and that the correct translation allowed for rice shipments to be "free of Aphelenchoides besseyi or fumigated".

¶5. (SBU) As instructed by USDA's Animal and Plant Health Inspection Service (APHIS) FAS/Ankara raised concerns that the Fusarium certification requirements for grain were overly restrictive and could not be met by U.S. officials. Furthermore, FAS/Ankara highlighted the fact that Fusarium species are not quarantine pests for Turkey nor are they under an official control program. We also requested that these requirements be scientifically justified.

¶6. (SBU) The Deputy General Director indicated that he had ample scientific justification for the new requirements, as fusarium species create micotoxins that are harmful to plants, animals and humans. He also indicated that this requirement was necessary because Turkey had no ability to prevent imported corn for food and feed from being used as seed. Our information indicates that only Hungary may be willing to issue a phytosanitary certificate that meets the fusarium requirements. Traders indicated that no major suppliers have agreed to certify shipments.

¶7. (SBU) The scientist who developed the fusarium requirements was present in the meeting, and elaborated on Turkey's concern in this area. It became evident that the scientist had read articles on the presence of fusarium species in the United States and Canada and deduced that the fungi pose a widespread health risk to plants, animals and humans.

Some Good News

¶8. (SBU) On January 15, Protection and Control officials met with representatives from the private sector as well as some major U.S. trading companies. According to an office contact, all of the private sector representatives criticized the new regulations and indicated that a drop in imports would have serious consequences for the Turkish poultry sector. Turkish officials were told that, unless shipments were restored, Turkish poultry operations would face increasingly prohibitive costs by March 1. Another private trader stated that turkey already pays \$22 million a year in demurrage costs and that any further requirements would further increase costs.

Comment: Some Signs of Change

¶9. (SBU) Although there has been no resolution of the problem, Turkish quarantine officials may finally be getting the message. An FAS/Ankara trade contact noted that Turkish quarantine officials promised to review the situation and request information from experts as well as foreign embassies. This may be the first indication that the situation may yet be resolved. Although their handling of the situation initially was poor, Turkish private sector officials noted that it is unprecedented for the Turkish government to even solicit private sector input, even if it

was after the fact. Time will tell whether Turkish officials will respond positively to private sector input, but it is a first step. However, even if the government waives or suspends fusarium requirements, there may be still numerous concerns in the new requirements that may affect trade.

¶10. (SBU) FAS/Ankara has sent a letter on January 16 to the office of Protection and Control offering, after consulting with Washington, to send a team of technical experts to Turkey to discuss and perhaps resolve some of the more onerous points of the regulations. Turkish officials responded immediately and said they would be willing to host U.S. officials on February 6 and 7. FAS/Ankara believes that such a visit will be very constructive.

Pearson